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U. S. DEPARTMENT OF AGRICULTURE
BELTSVILLE BRANCH

Food...

Food is a bargain..... Marketing Bulletin No. 18 U. S. Department of Agriculture

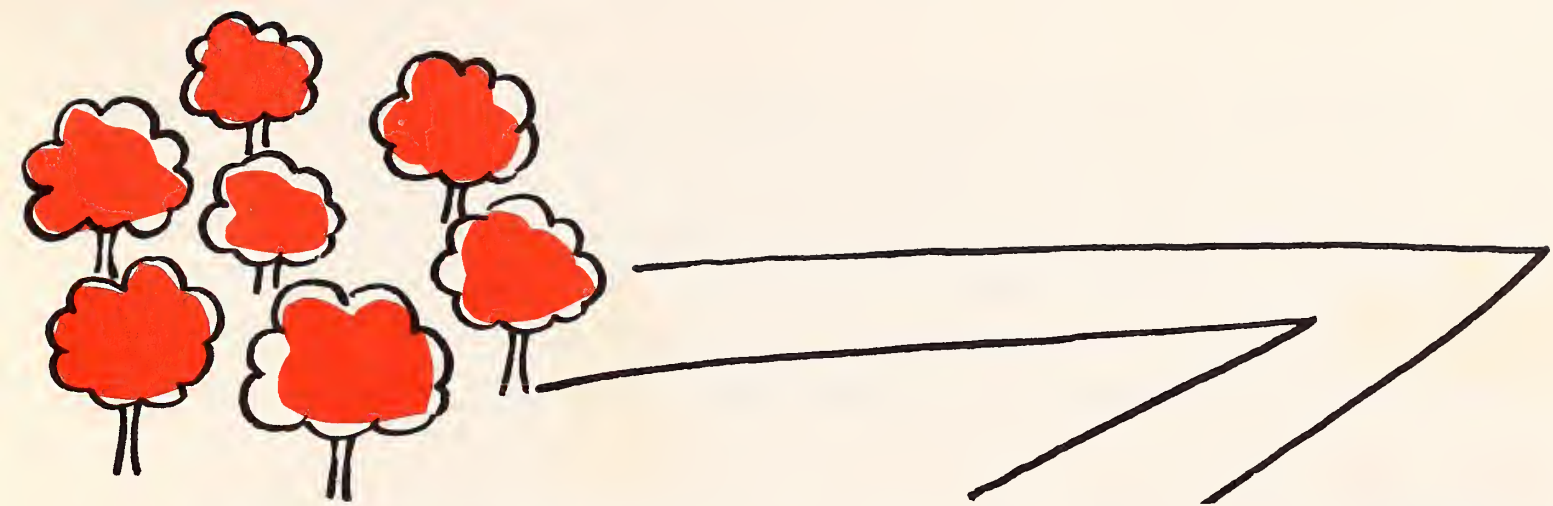
. . . is a

American farmers and marketing men over the years have provided this country with more and better food for less labor. Week in and week out, despite weather or season or distance from the farm, we count on having all the food we want. This is the story of the changes that took place in our food bill between 1947-49 and 1960--and what happens today to the money we spend in the market for foods produced on American farms. For a more detailed picture of the changes in retail and farm prices, see "Food Costs," Miscellaneous Publication No. 856.

Marketing Economics Divison • Economic Research Service • May 1961

b a r g a i n !

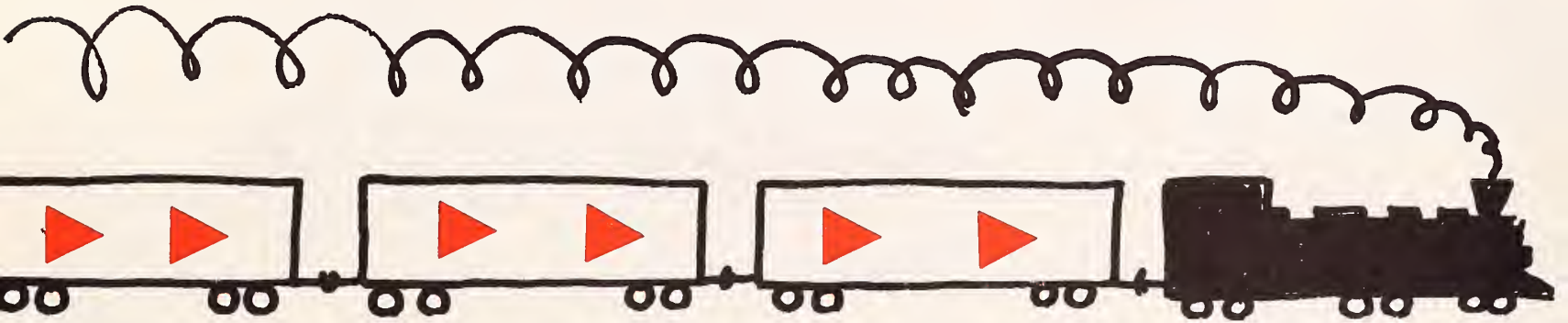
Just after the war, the family grocery bill was about a fourth of our take-home pay. Today it's less than a fifth even though food prices have gone up.



We're getting more for our money, too.
More things happen to our food as it travels
from farm to supermarket.

For instance, over five million men and women process our vegetables, pack our meat, bake the bread, and do all the other processing and distributing chores. Without them, our orange juice would never leave the orchard, our steak would still be roaming the range.

We're getting more transportation service, too. Trains and trucks and planes and barges are making longer trips from the farm to our bigger and bigger cities. Transportation gives us the benefits of year-round production in far away, specialized farm areas.

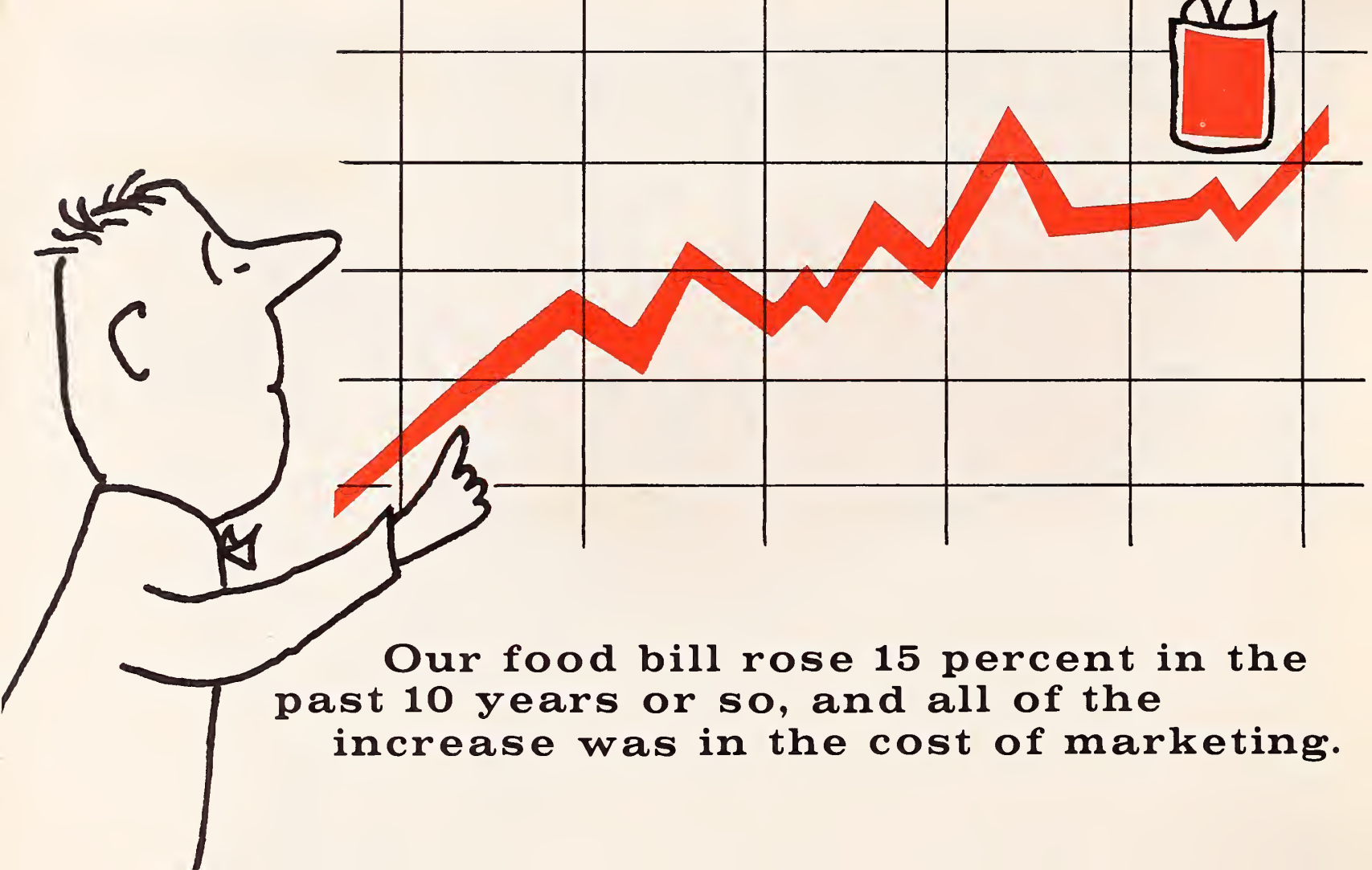


We're getting more convenience with our food money -- more trimmed, packaged, and frozen foods. More built-in-maid-service, such as pre-mixed foods and heat-and-serve dinners.

And while we're getting more for our money, we do pay more. Wages and freight rates have gone up in the past ten years. And so have the other expenses such as fuel, supplies, equipment, taxes, and advertising.

All together, processing, transporting, and distributing food takes 60 cents of our food dollar.

The farmer gets less than 40 cents--that's about 10 cents less than he got a decade ago.



Our food bill rose 15 percent in the past 10 years or so, and all of the increase was in the cost of marketing.

But at the same time, housing rose

32 percent... transportation climbed

46 percent... medical care grew by

57 percent... and the average take-home

pay jumped 59 percent!

yesterday

So the real cost of food is what we get for our labor. A decade ago an hour's work bought 2.3 pounds of chuck roast...1.8 dozen eggs... 6.5 quarts of milk...9.6 loaves of bread... or 24 pounds of potatoes.

today

Today, just a little more than 10 years later, our hour of work is worth 3.3 pounds of chuck roast...3.6 dozen eggs...8.1 quarts of milk... 10.1 loaves of bread... or 29 pounds of potatoes. That's why we say . . .

Growth Through Agricultural Progress

FOOD IS A BARGAIN!

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